

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Hogan Co., Inc.

California Manufacturing Technology Consulting

Hogan Company Increases Sales And Creates New Jobs

Client Profile:

Hogan Company, Inc. has been in business since 1948. The company manufactures steel products such as stakes, form pins, dowels, and string line accessories primarily for the concrete forming industry. Hogan Company employs 29 people at its Bloomington, California plant.

Situation:

Hogan Company needed an operations manager to pursue a significant growth opportunity while implementing lean manufacturing tools and techniques. The company did not have time to complete the process of hiring a full-time, permanent, executive-level employee. Hogan contacted California Manufacturing Technology Consulting (CMTC), a NIST MEP network affiliate, for assistance.

Solution:

CMTC was able to fill Hogan's operations manager position on a temporary basis by providing professional manufacturing management services combined with lean manufacturing implementation experience. In June 2002, CMTC placed an associate at Hogan Company for approximately six months. In that time, CMTC oversaw daily management of manufacturing activities, developed a team-based incentive for the workforce, and implemented single-piece flow, kanban inventory, and manufacturing cells (or workgroups). CMTC's consultant operated as a full member of Hogan Company's management team.

Results:

- Developed a team-based incentive program to reduce or eliminate overtime, absenteeism, equipment downtime, and the associated costs.
- Improved inventory control from nonexistent to 97 percent.
- Initiated a safety program.
- Increased customer responsiveness and reduced order backlog, thereby increasing sales by \$1 million.
- Created 17 new jobs as a result of the sales growth.
- Increased throughput from 3,500 to 13,000 pieces per day.
- Reduced customer lead-time from 2 weeks to 2 days, thereby retaining \$500,000 in sales.
- Increased inventory turns from 8.8 to 11.8 annually.
- Saved \$140,000 in costs.

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Increased productivity by 43 percent through the implementation of lean manufacturing techniques.

Increased competitiveness by 50 percent by dramatically improving customer service.

Received a 5:1 return-on-investment for this project.

Testimonial:

"California Manufacturing Technology Consulting's high-quality product and wide range of industry experience have assisted us in increasing our speed to market and sales."

Kraig Hogan, President